

Unrestricted Indirect Cost Rate

What is the Unrestricted Indirect Cost Rate?

Indirect costs are an allowable component of LEA reimbursement within the School-Based ACCESS Program and allow the LEA to increase the amount of reimbursement received through Medicaid Administrative Claiming and Cost Settlement, when the LEA has a rate that can be applied to those areas.

To include indirect costs as part of the reimbursement calculation, an LEA-specific unrestricted indirect cost rate (UICR) must be established. Only PDE has the authority to establish (calculate) and certify UICRs.

Is my LEA eligible for a UICR? And if yes, how do we get one?

All LEAs that complete the Annual Financial Report (AFR) are eligible for and may apply for a UICR by completing the Indirect Cost Schedule portion of the AFR.

- Requesting an indirect rate is **not required** by PDE or DHS. The LEA must take the necessary action to request a rate and provide the documentation required for PDE's calculation.
- **If an LEA does not timely apply** for and receive an LEA-specific UICR, a zero rate will be applied to both MAC and Cost Settlement, and no indirect costs will be included.
- Rates are certified by PDE, provided to DHS by PDE, and then DHS provides them to the vendor for application to LEA reimbursement.

When completing the AFR, where do I indicate that my LEA wants a UICR?

The screenshot below was provided by PDE and was taken from the Consolidated Financial Reporting System:

CFRS Consolidated Financial Reporting System
CFRS Home | Search | Maintenance | Reports | Help & Support | Logout

Indirect Costs (Schedules for Reporting Indirect Costs)
 Check here if you are NOT requesting an Indirect Cost Rate

<input type="checkbox"/> Unrestricted Rate Requested	<input type="checkbox"/> Restricted Rate Requested
Schedules Required: <ul style="list-style-type: none">• Proprietary Expense Detail• Subcontract/Subaward• Paid Leave	Schedules Required: <ul style="list-style-type: none">• Proprietary Expense Detail• Subcontract/Subaward• Paid Leave• Restricted Rate Adjustment• Plant Maintenance Costs
Uploads Required: <ul style="list-style-type: none">• Organization Chart	Uploads Required: <ul style="list-style-type: none">• Organization Chart• Back up Excel Template for the Plant Maintenance Costs Schedule

By checking the below box and requesting an unrestricted and/or restricted indirect cost rate, the LEA and its authorized officials certify that the LEA has complied with the applicable federal requirements contained in 2 CFR §200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards related to cost principles, administrative standards, and audit requirement publications.

The LEA also certifies that it has reviewed the most recent Chart of Accounts for Pennsylvania Local Education Agencies maintained by the Pennsylvania Office of the Budget, Office of Comptroller Operations, to ensure that the LEA's chart of accounts accurately reflects the revenue, funding source, expenditure function and object codes.

I certify compliance with applicable federal requirements as described above.

[Training materials and instructions for completing the Indirect Cost Schedules](#)

For any specific questions or issues after consulting the training materials, please contact RA-EDPDEINDIRECTCOST@pa.gov

On this page, the LEA will select “Unrestricted Rate Requested” in order to apply for a UICR.

**PENNSYLVANIA SCHOOL-BASED ACCESS PROGRAM (SBAP) FACT SHEET
UNRESTRICTED INDIRECT COST RATE (UICR)**

When does PDE provide my LEA’s UICR to DHS for use in the SBAP?

A complete list of certified UICRs is provided to DHS in December of each year. In some instances, PDE will provide updates to this list early in the following year, but the list is considered complete on February 15.

When are those rates applied to MAC and Cost Settlement in SBAP?

This process can seem very confusing as it occurs across fiscal years. A few things to remember:

- UICRs are *applied in* the fiscal year in which they are certified and posted by PDE, at which time the UICRs are *applied to* the cost settlement of the prior fiscal year that is underway at that time.
- Therefore, an AFR submitted by the 10/31/2022 deadline where an unrestricted rate has been requested by the LEA and certified by PDE, results in a UICR to be applied during the 2022-2023 fiscal year.

The chart below helps to demonstrate the flow of information used to develop the rate and the timeframe in which the rate is utilized for SBAP.

PDE AFR / UICR			SBAP Application of UICR	
Data Year	Year AFR is Submitted Requesting Rate	Year Rate is Posted	Cost Settlement Year UICR is Applied to	Year Cost Settlement is Conducted
20-21	21-22	22-23	21-22	22-23
21-22	22-23	23-24	22-23	23-24
22-23	23-24	24-25	23-24	24-25
23-24	24-25	25-26	24-25	25-26

Who do I reach out to if I have questions about the rate application process?

Because this process is managed by PDE, you should reach out directly to PDE at:

RA-EDPDEINDIRECTCOST@pa.gov